



**PROPOSED BUDGET  
FISCAL YEAR 2017-2018**



VILLAGE OF THE HILLS  
PROPOSED ANNUAL BUDGET  
FISCAL YEAR 2017-2018

**MAYOR**

Eric B. Ovlen

**MAYOR PRO TEM**

J.R. Smith

**ALDERMEN**

Hilda Potsavich

Robert Smith

Jim Nelson

George Spencer

**VILLAGE MANAGER**

Wendy L. Smith

**VILLAGE SECRETARY**

Linda Lunney

**BOOKKEEPER**

Beth Caccamisi

**RECEPTIONIST**

Megan Meehan

## PROPERTY TAX SUMMARY

This budget will raise more total property taxes than last year's budget by an amount of \$10,385, which is a 4.16% increase from last year's budget. The property tax revenue to be raised from new property added to the tax roll this year is \$1,546.

### Record Votes:

#### Adoption of the FY 17-18 Budget

Mayor Eric B. Ovlen

Mayor Pro Tem J.R. Smith

Alderman Hilda Potsavich

Alderman Robert Smith

Alderman Jim Nelson

Alderman George Spencer

#### Adoption of the FY 17-18 Tax Rate

Mayor Eric B. Ovlen

Mayor Pro Tem J.R. Smith

Alderman Hilda Potsavich

Alderman Robert Smith

Alderman Jim Nelson

Alderman George Spencer

The Village property tax rates for the current fiscal year and upcoming fiscal year are as follows:

	<u>FY 16-17</u>	<u>FY 17-18</u>
Adopted Tax Rate	0.0600	0.0600
Effective Tax Rate	0.0574	0.0566
Effective M&O Tax Rate	0.0820	0.0806
Roll Back Rate	0.0638	0.0611
Debt Rate	0.0000	0.0000

Submitted in compliance with Texas Local Government Code §102.005(b)

August 11, 2017

Honorable Mayor and Aldermen:

A balanced budget for Fiscal Year 2017-2018 is submitted for your consideration and adoption. Each line item was evaluated on the criteria identified in the Village's mission statement: quality of life, safety, and continuing improvement of property values. The overall budget was designed to be the most effective value proposition for our residents, which is also the Village's guiding principle.

Each fund, plus a Five Year Capital Improvement Plan, is represented in the proposed budget.

#### GENERAL FUND

General Fund revenue reflects an ad valorem tax rate remaining at \$.06 per \$100 valuation for the third straight year. Proposed revenue from property taxes is \$259,933. The Additional Sales Tax for Ad Valorem Reduction is budgeted at \$105,300, which is 2% over the current year budget but 4.5% less than projected actuals for FY 16-17. Street Maintenance Sales Tax is accounted for in its own Fund.

Total General Fund revenue in the proposed FY 17-18 budget is \$553,633.

Budgeted Expenses are up 1.1% relative to the FY 16-17 adopted budget. Notable changes include: an adjustment to the Interlocal Agreement with Hurst Creek MUD, a full twelve months of salary and benefits for the Village Manager, and the cooperative purchase of financial/billing software with HCMUD. Previously unbudgeted special event costs were included, as well as funding for the creation of a dog park if the project receives final approval upon completion of the public participation process. \$16,000 in revenue for sponsorships/matching funds is budgeted for HillsFest/JazzFest and the Dog Park.

#### SOLID WASTE MANAGEMENT FUND

On July 11, 2017, the Mayor and Board of Aldermen approved staff's recommendation to increase solid waste collection fees from \$18 to \$20 per month. In addition to paying for a rate increase from the contracted hauler, the new fee will allow the Village to build reserves. Reserves 1) provide the ability to mitigate customer fee increases if hauler rates rise significantly during a new contract period or if bids are solicited, 2) allow for more accurate reimbursements to the General Fund for administrative or labor services, 3) position the Village for a higher level of participation in the Regional Household Hazardous Waste Facility, and 4) establish a funding source for windstorm recovery. Another expense covered by the new rate will be the cooperative purchase of billing and accounting software with Hurst Creek MUD. Proposed transfers out to the General Fund for personnel reimbursement and the software purchase total \$18,000.

## STREET MAINTENANCE SALES TAX FUND

In the prior fiscal year, Street Maintenance Sales Taxes were categorized as unbudgeted revenue. The proposed FY 2017-2018 budget contains both revenues and expenditures.

## CAPITAL IMPROVEMENT PLAN

The Capital Improvements Plan (CIP) is a five-year planning document adopted annually by the Board of Aldermen to plan for capital improvements related the Village's infrastructure. Projects identified in the CIP will be considered for funding each year as part of the budget process.

A capital project is defined as having a minimum cost of \$25,000 and resulting in:

1. Creation of a new fixed asset.
2. Enhancement to an existing fixed asset.

Typically the life expectancy of a capital project is 20 years.

## NEW AND ONGOING PROGRAMS

Among the projects programmed this year is adoption of the Village's first Strategic Plan. The Strategic Plan will serve as an important tool for future fiscal years. Additionally, development of the walking trail and a potential dog park, common area maintenance, and continuing an effective public safety program are all high priorities. Core services will continue to be delivered in an efficient and professional manner.

It is my honor to present a budget document which I believe meets the policy goals you have articulated as elected representatives of the Village of The Hills. I extend my sincere appreciation to you and the staff for the hours of thoughtful deliberation involved in assembling a final proposed budget. This document will be on file with the Village Secretary and on the website during the 30 days preceding the public hearing on the budget and tax rate in September.

Respectfully submitted,



Wendy L. Smith  
Village Manager

VILLAGE OF THE HILLS  
GENERAL FUND BUDGET SUMMARY FY 2017-2018

	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
Adopted Tax Rate	0.0600	0.0600	0.0600	0.0600
Effective Tax Rate	0.0574	0.0574	0.0574	0.0566
Effective M&O Tax Rate	0.0820	0.0820	0.0820	0.0806
Roll Back Tax Rate	0.0638	0.0638	0.0638	0.0611
I&S Tax Rate	0.0000	0.0000	0.0000	0.0000
<b>BEGINNING UNASSIGNED FUND BALANCE - GENERAL FUND</b>	<b>\$ 201,960</b>	<b>\$ 201,960</b>	<b>\$ 201,960</b>	<b>\$ 234,293</b>
<b>REVENUES</b>				
Franchise Fees	\$ 143,830	\$ 143,830	\$ 143,830	\$ 145,000
Ad Valorem Taxes	\$ 249,651	\$ 249,651	\$ 247,000	\$ 259,933
Sales Tax	\$ 111,900	\$ 111,900	\$ 119,000	\$ 114,300
Development Fees/Permits	\$ 800	\$ 800	\$ -	\$ 400
Grants and Sponsorships	\$ -	\$ -	\$ -	\$ 16,000
Transfers In - Solid Waste Fund	\$ 9,000	\$ 9,000	\$ 9,000	\$ 18,000
Non-Departmental	\$ -	\$ -	\$ 300	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 515,181</b>	<b>\$ 515,181</b>	<b>\$ 519,130</b>	<b>\$ 553,633</b>
<b>EXPENDITURES</b>				
Administration	\$ 13,764	\$ 90,493	\$ 92,348	\$ 134,174
Contracted Services	\$ 353,689	\$ 247,161	\$ 242,429	\$ 221,407
Common Areas	\$ 97,580	\$ 97,580	\$ 79,705	\$ 89,600
Parks	\$ 38,315	\$ 38,315	\$ 38,315	\$ 63,315
Youth Advisory Commission	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
Non-Departmental	\$ 5,400	\$ 30,000	\$ 33,000	\$ 6,000
<b>TOTAL EXPENDITURES</b>	<b>\$ 513,748</b>	<b>\$ 508,549</b>	<b>\$ 486,797</b>	<b>\$ 519,496</b>
Revenue Over (Under) Expenditures	\$ 1,433	\$ 6,632	\$ 32,333	\$ 34,137
<b>ENDING UNASSIGNED FUND BALANCE - GENERAL FUND</b>	<b>\$ 203,393</b>	<b>\$ 208,592</b>	<b>\$ 234,293</b>	<b>\$ 268,430</b>

VILLAGE OF THE HILLS  
GENERAL FUND BUDGET 2017-2018

**REVENUES**

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
<b>Franchise Fees</b>					
	PEC	\$ 24,800	\$ 24,800	\$ 24,800	\$ 25,000
	AT&T	\$ 32,930	\$ 32,930	\$ 32,930	\$ 33,000
	TW/Spectrum	\$ 34,200	\$ 34,200	\$ 34,200	\$ 35,000
	City of Austin	\$ 51,900	\$ 51,900	\$ 51,900	\$ 52,000
	<b>Total Franchise Fees</b>	<b>\$ 143,830</b>	<b>\$ 143,830</b>	<b>\$ 143,830</b>	<b>\$ 145,000</b>
<b>Ad Valorem Taxes</b>					
	<b>Total Ad Valorem Taxes</b>	<b>\$ 249,651</b>	<b>\$ 249,651</b>	<b>\$ 247,000</b>	<b>\$ 259,933</b>
<b>Sales Tax</b>					
	Addtl Sales Tax	\$ 103,200	\$ 103,200	\$ 110,000	\$ 105,300
	MixBev Sales Tax	\$ 8,700	\$ 8,700	\$ 9,000	\$ 9,000
	<b>Total Sales Taxes</b>	<b>\$ 111,900</b>	<b>\$ 111,900</b>	<b>\$ 119,000</b>	<b>\$ 114,300</b>
<b>Development Fees/Permits</b>					
	Replat Fees	\$ 800	\$ 800	\$ -	\$ 400
	<b>Total Dev Fees</b>	<b>\$ 800</b>	<b>\$ 800</b>	<b>\$ -</b>	<b>\$ 400</b>
<b>Grants and Sponsorships</b>					
	Dog Park Sponsorships	\$ -	\$ -	\$ -	\$ 10,000
	HillsFest/JazzFest Sponsorships	\$ -	\$ -	\$ -	\$ 6,000
	<b>Total Grant and Sponsorship Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,000</b>
	<b>Non-Departmental</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ -</b>
	<b>Total Non-Departmental</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300</b>	<b>\$ -</b>
<b>Transfers In</b>					
	Solid Waste Fund	\$ 9,000	\$ 9,000	\$ 9,000	\$ 18,000
	<b>Total Transfers In</b>	<b>\$ 9,000</b>	<b>\$ 9,000</b>	<b>\$ 9,000</b>	<b>\$ 18,000</b>
<b>TOTAL REVENUES</b>		<b>\$ 515,181</b>	<b>\$ 515,181</b>	<b>\$ 519,130</b>	<b>\$ 553,633</b>



VILLAGE OF THE HILLS  
GENERAL FUND BUDGET 2017-2018

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
<b>Common Areas</b>					
	Improvements	\$ 13,000	\$ 13,000	\$ 3,000	\$ 13,000
	Mowing & Maintenance	\$ 51,750	\$ 51,750	\$ 51,750	\$ 52,000
	Fence Maintenance	\$ 5,000	\$ 5,000	\$ -	\$ 10,000
	Wildfire Mitigation	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Walking Trail Repairs & Maint	\$ 14,000	\$ 14,000	\$ 14,355	\$ 2,000
	Facilities Maintenance	\$ 3,000	\$ 3,000	\$ 2,000	\$ 3,000
	Wildlife Management	\$ 600	\$ 600	\$ 100	\$ 600
	Signage	\$ 2,400	\$ 2,400	\$ 500	\$ 1,000
	ROW Irrigation	\$ 2,830	\$ 2,830	\$ 3,000	\$ 3,000
	<b>Total Common Areas</b>	<b>\$ 97,580</b>	<b>\$ 97,580</b>	<b>\$ 79,705</b>	<b>\$ 89,600</b>
<b>Parks</b>					
	Parks O&M	\$ 37,315	\$ 37,315	\$ 37,315	\$ -
	Park Improvements	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
	Capital Improvements	\$ -	\$ -	\$ -	\$ 20,000
	Maintenance	\$ -	\$ -	\$ -	\$ 27,775
	Events	\$ -	\$ -	\$ -	\$ 12,000
	Utilities	\$ -	\$ -	\$ -	\$ 3,540
	Non-Departmental	\$ -	\$ -	\$ -	\$ -
	<b>Total Parks</b>	<b>\$ 38,315</b>	<b>\$ 38,315</b>	<b>\$ 38,315</b>	<b>\$ 63,315</b>
<b>Youth Advisory Commission</b>					
	Youth Advisory Commission	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000
	<b>Total Youth Advisory Commission</b>	<b>\$ 5,000</b>	<b>\$ 5,000</b>	<b>\$ 1,000</b>	<b>\$ 5,000</b>
	<b>Non-Departmental (formerly Contingency)</b>	<b>\$ 5,400</b>	<b>\$ 30,000</b>	<b>\$ 33,000</b>	<b>\$ 6,000</b>
	<b>Total Non-Departmental</b>	<b>\$ 5,400</b>	<b>\$ 30,000</b>	<b>\$ 33,000</b>	<b>\$ 6,000</b>
<b>TOTAL EXPENDITURES</b>		<b>\$ 513,748</b>	<b>\$ 508,549</b>	<b>\$ 486,797</b>	<b>\$ 519,496</b>

VILLAGE OF THE HILLS  
SOLID WASTE FUND BUDGET 2017-2018

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
<b>REVENUES</b>					
	Solid Waste Revenue	\$ 228,780	\$ 228,780	\$ 221,625	\$ 252,000
	<b>Total Revenue</b>	<b>\$ 228,780</b>	<b>\$ 228,780</b>	<b>\$ 221,625</b>	<b>\$ 252,000</b>
<b>EXPENDITURES</b>					
	Contracted Hauler	\$ 194,682	\$ 194,682	\$ 194,446	\$ 198,520
	Canine Refuse Stations	\$ 9,600	\$ 9,600	\$ 8,790	\$ 9,600
	Miscellaneous	\$ 600	\$ 600	\$ 600	\$ 600
	Dead Animal Pick Up	\$ 360	\$ 360	\$ 100	\$ 360
	Bank Service Charges	\$ 1,020	\$ 1,202	\$ 700	\$ 800
	Hazardous Waste Facility	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
	Transfer Out-General Fund: Personnel	\$ 9,000	\$ 9,000	\$ 9,000	\$ 11,000
	Transfer Out-General Fund: Software	\$ -	\$ -	\$ -	\$ 7,000
	<b>Total Expenditures</b>	<b>\$ 220,262</b>	<b>\$ 220,444</b>	<b>\$ 218,636</b>	<b>\$ 232,880</b>

VILLAGE OF THE HILLS  
STREET MAINTENANCE FUND BUDGET 2017-2018

**REVENUES**

Account No.	Description	Adopted Budget FY 2016-17	Amended Budget FY 2016-17	Projected Estimate FY 2016-17	Proposed Budget FY 2017-18
	Street Maintenance Sales Tax	\$ -	\$ 48,000	\$ 48,000	\$ 48,000
	<b>Total Revenue</b>	<b>\$ -</b>	<b>\$ 48,000</b>	<b>\$ 48,000</b>	<b>\$ 48,000</b>

**EXPENDITURES**

	Walking Trail/Roadway Support	\$ -	\$ 35,000	\$ 35,000	\$ 40,000
	<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 35,000</b>	<b>\$ 35,000</b>	<b>\$ 40,000</b>

VILLAGE OF THE HILLS  
 CAPITAL IMPROVEMENT PLAN  
 2018-2022

Project Description	Source of Funds	Fiscal Year					TOTAL
		18	19	20	21	22	
Walking Trail	Sales Tax	\$ 40,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 232,000
Dog Park	GF/Donations	\$ 20,000	\$ -	\$ -	\$ -	\$ 5,000	\$ 25,000
<b>Total</b>		\$ 60,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 53,000	\$ 257,000